



LONG TERM

ECONOMIC FORECAST FOR

THE SCAG REGION

CAG's adopted regional forecast foresees job growth of more than 3.9 million and population gains of more than 6.7 million between 1994 and 2020. Total jobs in the SCAG area are projected to increase from 6.6 million in 1994 to 10.6 million in 2020, a gain of 60 percent. Projected employment growth will support a population of approximately 22.4 million residents in 2020. The region's population will grow by more than 43%, or 6.74 million people, between 1994 and 2020 (Figure 22). Projected population growth by county is shown in Figure 23 on the next page.²¹

Particularly since WWII, the SCAG region has served as a national job and immigration

center. Historically, Southern California's growth has been dependent on two main factors:

1. The number of additional people and jobs in the nation.
2. The share (percentage) of those jobs and people that chooses to locate in the SCAG region.

Rising birth rates and growing immigration levels have led the Census Bureau to dramatically raise its U.S. population projections. Approximately 57 million new residents are now expected in the U.S. by 2020, which will require the creation of approximately 40 million more jobs between 1996 and 2020.

Thus, one major reason the new SCAG forecast is higher is that the pool of new jobs and population that the region is competing for is much larger than previously expected.

SCAG forecasts the region's share of the nation's added jobs and population by 1) analyzing the region's expected share of new jobs separately for each of 49 basic industries; 2) deriving from these a set of forecasts of 21 local ("non-basic") industries based on analysis of trends in the ratio of non-basic to basic jobs; and 3) incorporating region specific birth rate and labor force assumptions by ethnic group to reflect the region's changing demographic characteristics.

Figure 22

SCAG Region Employment and Population Forecasts (Thousands)

	1994	2000	2005	2010	2015	2020	% Change (1994-2020)
Total Jobs	6,604.4	7,441.2	8,205.8	9,018.4	9,746.5	10,573.8	60.1%
Total Population	15,610.1	16,999.5	18,234.3	19,490.7	20,825.5	22,352.4	43.2%

Source: SCAG, 1998 RTP Adopted Forecast

²¹ The forecasts in this section for population and employment are being updated in preparation for the 2001 RTP, due for adoption in the summer of 2001.

Industry sector job growth in the region's economic base is shown in Figure 24. Southern California is expected to gain further from strong growth in the professional services and tourism and entertainment sectors, each with projected job growth of near 70 percent. Continued expansion of foreign trade will also support these sectors as well as the region's transportation and wholesale trade firms.

The distribution of jobs among the major categories in 2020 is also considerably different

now than in previous forecasts. By 2020, the share of manufacturing in total employment in the region falls from 14.7 percent (in 1994) to slightly less than 9 percent. Meanwhile, the share of services in the regional total rises from just under 27 percent to more than 41 percent (Figure 24).

Similar to the population and economic expansion of the last fifty years, current projections illustrate that both economic and population growth on the periphery of the region

is expected to outpace growth in the core parts of the region. For example, population growth in Imperial, Riverside and San Bernardino counties combined is expected to almost double (over 92%) between 1994 and 2020, while during that same period, Los Angeles and Orange County are expected to experience population increases of just slightly over 30 percent.

Figure 23

SCAG Region Population Forecasts

County	1994	2000	2005	2010	2015	2020	% Change (1994-2020)
Imperial	138,470	148,980	171,772	207,305	240,812	280,341	102.5%
Los Angeles	9,231,546	9,818,234	10,329,499	10,868,875	11,513,388	12,249,088	32.7%
Orange	2,595,147	2,859,236	3,005,791	3,105,322	3,165,423	3,244,602	25.0%
Riverside	1,376,879	1,687,764	1,976,938	2,265,250	2,531,683	2,815,987	104.5%
San Bernardino	1,558,344	1,772,539	2,005,402	2,239,579	2,512,670	2,830,050	81.6%
Ventura	709,758	712,699	744,927	804,329	861,565	932,326	31.4%
SCAG Region	15,610,144	16,999,452	18,234,329	19,490,660	20,825,541	22,352,394	43.2%

Source: SCAG, 1998 RTP Adopted Forecast

Figure 24

**SCAG Region Five County* Employment Forecast by Industry
(Thousands)**

	1994	2000	2005	2010	2015	2020	% Change 1994-2020	Share of Total Jobs in 2020
Total Jobs	6,552.0	7,739.0	8,136.6	8,943.4	9,664.4	10,483.9	60.0%	100.0%
Self-Employed	690	689.3	761.8	807.3	836.5	865.5	25.4%	8.3%
Total Wage & Salary Jobs	5,862.0	6,689.7	7,374.7	8,136.1	8,827.9	9,618.4	64.1%	91.7%
Agriculture	55.9	55.2	50.8	50.5	49.0	47.6	-14.9%	0.5%
Total Non-farm Wage & Salary Jobs	5,806.1	6,634.5	7,323.9	8,085.6	8,778.8	9,570.8	64.8%	91.3%
Mining	10.9	7.3	5.6	3.6	2.3	1.5	-86.3%	0.0%
Construction	199.7	244.8	261.6	273.8	280.3	286.5	43.4%	2.7%
Manufacturing	962.0	977.3	952.5	953.2	937.8	925.5	-3.8%	8.8%
Transp.Communications, Public Utility	287.5	308.9	323.7	343.9	358.1	373.5	29.9%	3.6%
Trade	1,349.4	1,522.8	1,668.8	1,799.1	1,896.4	1,996.1	47.9%	19.0%
Financial, Insurance, & Real Estate	380.2	399.1	430.9	455.3	470.6	485.9	27.8%	4.6%
Services	1,753.7	2,249.0	2,695.8	3,203.1	3,729.7	4,345.8	147.8%	41.5%
Government	862.7	925.5	985.1	1,0535.6	1,103.6	1,156.1	34.0%	11.0%

Note: * Imperial County not included due to lack of comparable data on employment by industry.
Source: SCAG, 1998 RTP Adopted Forecast